

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of	)	
	)	
W. H. SHIPMAN, LIMITED	)	DOCKET NO. A84-570
	)	
To Amend the Agricultural Land Use	)	W. H. SHIPMAN, LIMITED
District Boundary into the Urban	)	
Land Use District for approximately	)	
487.74 acres at Keaau, Puna, Hawaii,	)	
Tax Map Key: 1-6-03:78 and Portion	)	
of Parcel 7	)	
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This is to certify that this is a true and correct  
copy of the Decision and Order on file in the office  
of the State Land Use Commission, Honolulu Hawaii.

FEB 19 1985

Date

by  Executive Officer

DECISION AND ORDER

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DECISION AND ORDER

Petitioner, W. H. Shipman, Limited, a Hawaii corporation, having its principal place of business in Keaau, Puna, Hawaii, initiated this boundary amendment proceeding on June 18, 1984, pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the land use district boundary of certain lands consisting of 487.74 acres, more or less, being a portion of a larger 606.16 acre parcel, identified as Lots A-15-A-1 and inclusive of those parcels identified as Lots A-15-A-2 and A-15-A-3, and being a part of Hawaii TMK: 1-6-03:7 and all of Hawaii TMK: 1-6-03:78, situate in Keaau, Puna, Hawaii, from the Agricultural to the Urban District (hereinafter referred to as the "Subject Property"). The Land Use Commission (hereinafter referred to as the "Commission"), having heard the evidence

presented on the matter during the hearing and having considered the full record on file herein, hereby makes the following findings of fact and conclusions of law.

#### FINDINGS OF FACT

##### PROCEDURAL MATTERS

1. The Commission conducted a hearing on the subject Petition on October 4, 1984, at the State Office Building, Hilo, Hawaii, pursuant to notices published in the Honolulu Advertiser and the Hawaii Tribune-Herald on August 31, 1984.

2. The Commission received no requests to intervene in the hearing.

3. Ernest Matsumura, a representative of the Hawaii County New Industries Development Committee, testified as a public witness.

##### DESCRIPTION OF THE SUBJECT PROPERTY

4. The Subject Property is situated at Keaau, District of Puna, Island and County of Hawaii, approximately 6.0 miles southeast of the City of Hilo and approximately 1.5 miles northwest of Keaau Town.

5. Access to the Subject Property is available from State Highway Route 11, which runs along the entire length of its northeastern boundary.

6. Hawaii Mountain Orchids, Inc., a subsidiary corporation of Petitioner, currently uses a 20.012 acre portion of the Subject Property identified as Lot A-15-A-2 for the cultivation of plants and flowers. The Lessee and Petitioner will terminate this lease by mutual agreement prior to the development of the Subject Property. In addition, Allied Aggregates Corp. of Hilo, Hawaii utilizes approximately 6 acres of the Subject Property as a rock quarry under a lease which expires on March 31, 1985.

7. The U.S.D.A. Soil Conservation Service Soil Survey of 1973 classifies the majority of the soils of the Subject Property as Papai extremely stony muck, 3 to 25 percent slopes (rPaE) with small sections classified as Keaukaha extremely rocky muck, 6 to 20 percent slopes (rKFD) and Olaa extremely stony, silty, clay loam, 0 to 20 percent slopes (OED).

- a. Papai extremely stony muck, 3 to 25 percent slopes (rPaE) - This soil is located low on the windward side of Mauna Kea. Its surface layer is very dark brown extremely stony muck about 8 inches thick underlain by fragmental Aa lava. The soil is friable, slightly sticky, slightly plastic, slightly acid, and has many roots and fine pores. Permeability is rapid, runoff is slow, and the erosion hazard is slight.
- b. Keaukaha extremely rocky muck, 6 to 20 percent slopes (rKFD) - This soil is located near the city of Hilo and follows the topography of the underlying pahoehoe lava. Its surface layer is very dark brown muck about 8 inches thick underlain by pahoehoe lava bedrock. The soil is friable, slightly sticky, slightly plastic,

strongly acid, and has many roots and fine pores. The soil above the lava is rapidly permeable. The pahoehoe lava is very slowly permeable, but water moves rapidly through the cracks. Runoff is medium, and the erosion hazard is slight.

- c. Olaa extremely stony silty clay loam, 0 to 20 percent slopes (OED) - The surface layer is very dark brown extremely stony silty clay loam about 16 inches thick over a subsoil about 9 inches thick and underlain by Aa lava. The soil is friable, slightly sticky, plastic, medium acid, and has many roots and fine pores. Permeability is rapid, runoff is slow, and the erosion hazard is slight.

8. The Federal Insurance Administration's preliminary Flood Insurance study for the Island of Hawaii designates the Subject Property in Zone C, an area of minimal flooding.

#### PROPOSAL FOR DEVELOPMENT

9. The Petitioner proposes to classify the Subject Property from the Agricultural to the Urban District to develop an industrial park.

10. The Petitioner proposes to develop the Subject Property in two increments. The first increment will consist of 312 gross acres and 255 net acres. The second increment will consist of 176 gross acres and 154 net acres. The Petitioner proposes to develop the first increment within five years and the second increment within a second five-year period.

11. Petitioner proposes to sell or lease the industrial lots as the market dictates. Petitioner proposes to establish ground lease rents for leasehold lots ranging from \$0.25 to \$0.50 per square foot and sales prices for the lots ranging from \$8.80 to \$12.60 per square foot.

12. Petitioner proposes to develop a botanical garden on the six-acre quarry site now being excavated by Allied Aggregates Corp.

13. The Petitioner estimates that the total on-site and off-site construction cost for site improvements will be approximately \$15.8 million.

#### STATE AND COUNTY PLANS AND PROGRAMS

14. The Subject Property is situate within the State land Use Agricultural District and is adjoining forest reserve lands that are within a Conservation District. The closest Urban designated lands are situated approximately 1,000 feet to the southeast at Keaau.

15. The County of Hawaii General Plan Land Use Pattern Allocation Guide Map (hereinafter referred to as the "LUPAG MAP"), as amended by Ordinance 456 in July, 1979, designates the Subject Property for Industrial Use.

16. The Subject Property and proposed development are consistent with the County of Hawaii General Plan LUPAG MAP and urbanization patterns.

17. The Subject Property is currently zoned Agriculture, 20 acre Lot (A-20a) (Chapter 8, Hawaii County Code, as amended) and the proposed industrial uses are not permitted under the zoning designation. As such, the Petitioner proposes to seek an ML - Limited Industrial and/or MG - General Industrial zoning for the Subject Property from the County of Hawaii.

18. The Subject Property is not situate within the Special Management Areas (SMA) delineated for the County of Hawaii and is not subject to the provisions of Chapter 205A of the Hawaii Revised Statutes.

19. The Puna area has experienced a population growth rate of 128% in the period from 1970 to 1980. The combined population of both the South Hilo and Puna Districts numbered 42,300 and 11,751, respectively, as of the 1980 census, constituting two-thirds of the entire population of the County of Hawaii.

20. The State of Hawaii Department of Planning and Economic Development, in its Series II-F projections, projects that the population of the County of Hawaii will increase from the 1980 census of 92,053 to between 133,000 to 166,800 by the year 2000.

21. Y. K. Hahn & Associates projects the population increases for the South Hilo District will generate demand for 202 additional acres of industrial land by the end of

1984, by the end of 1989 and by the end of 1994, a demand for another 225 acres for industrial use, and still, a demand for another 251 acres of industrial lands. For the District of Puna, additional industrial lands of 43.1, 51.2 and 60.8 acres will be required for the same periods.

22. Petitioner anticipates that the 409 net acres it expects to place on the market over the next 10 years will help to meet the projected industrial needs for both the South Hilo and Puna Districts.

23. Petitioner will make available a wide variety of lot sizes and flexible financing arrangements to those desiring to lease or purchase the industrial lots.

#### IMPACTS ON THE RESOURCES OF THE AREA

##### Agricultural Resources

24. The Land Study Bureau of the University of Hawaii classifies the overall rating for the Subject Property as "E," very poorly suited. The State Board of Agriculture, in its classification system "Agricultural Lands of Importance to the State of Hawaii," identifies the Subject Property as Other Important Agricultural Land.

25. Four broadly defined types of on-site vegetation are found on the Subject Property: canefields, closed mixed forest, open mixed forests, and ruderal areas.



26. Except for a 20-acre piece used by Hawaii Mountain Orchids, Inc., the Subject Property is not being used for agricultural purposes and does not have a high capacity for intensive agricultural use.

#### Archaeological Resources

27. Paul H. Rosendahl, Ph.D., Inc., in his archaeological reconnaissance survey, disclosed no archaeological sites or features of any kind on the Subject Property nor immediately adjacent to the Subject Property. Dr. Rosendahl concluded that no further archaeological work of any kind was necessary or justified due to the negative field reconnaissance findings.

#### Natural Resources

28. Petitioner anticipates that the project will have minimal impact upon the native species of plant life present on the Subject Property because these species are present in the adjacent Panaewa Forest Reserve and the Waiakea Forest Reserve. Furthermore, no endemic animal life was observed on the Subject Property and, thus, the proposed project will not have any impact upon native birds or animals.

#### Environmental Resources

29. The Subject Property is situate over a major ground water body having a high ground water recharge rate that is estimated to be approximately one billion gallons a

day. Petitioner proposes to mitigate pollution of this resource by the disposal of effluents or surface waters generated on the Subject Property through the adherence to and enforcement of the laws now in effect by the State Department of Health and the Environmental Protection Agency of the Federal Government.

The tremendous volume of rainfall in the area and the resulting recharge rates of the ground waters further minimize the risk of pollution of this resource.

30. During construction of the project, some impact upon air quality will occur due to the dust and exhaust generated by the grading and other construction activities. Petitioner proposes to minimize long term adverse effects upon air quality through the enforcement of current air quality standards of the State and Federal governments against the tenants and owners of the industrial park.

#### Recreational Resources

31. Owing to its irregular and sloping terrain and its dense vegetation, the Subject Property, in its present condition, has no apparent or potential recreational value.

#### Scenic Resources

32. High vegetation on the Subject Property blocks panoramic views of the Subject Property and adjoining areas from State Highway 11. Petitioner proposes to retain

portions of existing growth and implement site landscaping to screen the improvements from the travelers on Highway 11 in order to mitigate the visual impact of the project.

#### PUBLIC SERVICES AND FACILITIES

##### Fire Fighting and Police Services

33. The County will provide police and fire protection for the project from the Keaau Fire Station and Police Station located in Keaau Village and supplemented by stations in the City of Hilo. Response time to the project site is less than three minutes.

##### Schools and Recreation

34. The proposed industrial park is not expected to generate additional demands for public facilities such as schools, parks and libraries as Petitioner predicts that the work force will commute from the existing population centers in Hilo and Puna.

##### Electricity and Utility Services

35. Hawaii Electric Light Company, Limited, and Hawaiian Telephone Company lines serve the area. Petitioner will provide all necessary service connection and transmission lines necessary to transmit electricity and other utilities to the development as may be required by applicable State and County regulations.

### Water

36. Petitioner projects a maximum water demand for the project of 1.08 million gallons per day (mgd) for the first increment and 0.66 mgd for the second increment. Water of sufficient quantity and quality is available for the project from existing ground water sources beneath the Subject Property. Petitioner will draw from these ground water resources through two basal wells to be constructed with a capacity of 1,200 gallons per minute (gpm) at the 600-foot elevation on property also belonging to the Petitioner. Petitioner also proposes to build a 1.0 million gallon concrete storage reservoir to store water for the first phase of development.

### Sewage Treatment and Disposal Services

37. Petitioner proposes to dispose sewage and liquid wastes by individual cess-pools constructed on each lot or by such other means to be approved by the State Department of Health in compliance with applicable State and Federal laws. Petitioner will require each lot purchaser or tenant to construct the sewage disposal system. Petitioner will enforce this responsibility through restrictive covenants.

### Solid Waste

38. Lot purchasers and tenants of the proposed industrial park will be required to haul their refuse to the Hilo Sanitary Landfill or to contract with commercial haulers.

### Roadway and Highway Services

39. Access to the Subject Property is via the two southbound lanes of Highway 11 (also known as "Volcano Road") having a combined width of 24 feet. Highway 11 is under the jurisdiction of the State Highway Division. The southbound lanes are separated from the two northbound lanes of similar width by a 100-foot median containing forest shrub growth.

40. The practical capacity of Highway 11 is 1,660 vehicles per hour for each direction of travel.

41. The State Department of Transportation Highway Division found maximum traffic level of Highway 11 in any one direction based in April 1982 to be approximately 923 vehicles per hour.

42. Okahara, Shigeoka and Associates, Inc., estimated peak hour traffic generated by the proposed industrial park to be 300 vehicles per hour for increment one and 180 vehicles per hour for increment two.

43. The present maximum traffic level of about 923 vehicles per hour combined with the anticipated peak hour traffic for increments one and two of the project are below the 1,660 vehicles per hour practical capacity of Highway 11.

44. Petitioner proposes to gain entry to the industrial park by way of two access roads, one situate near the north boundary of the Subject Property and the other situate near the south boundary of the Subject Property. These roads will also serve as exit routes from the industrial park.

45. Petitioner proposes to construct deceleration and acceleration lanes on Highway 11 at each of its access points.

46. Petitioner proposes to drain surface waters by the construction of drainage ways to channel the runoff flows to the lower areas. Petitioner anticipates that a 50-foot wide drainage way would direct the flows into the center of the subdivision and into a detention pond to be situated within the existing quarry site. Petitioner proposes to channel overflows to existing culverts along Highway 11. In addition, 68 conventional dry-wells will be constructed throughout the industrial park to supplement the drainage ways.

#### CONTIGUITY OF DEVELOPMENT

47. The Subject Property is not contiguous to an existing Urban District; however, it is situated approximately 1,000 feet to the northeast of Keaau Village, the nearest urban center.

#### EMPLOYMENT OPPORTUNITIES

48. Y. K Hahn & Associates estimates that the project will generate \$13 to \$14 million of personal income during the construction phase and utilize 325 man years of employment.

49. Y. K. Hahn & Associates also estimates that during the operational phase of the project, a work force in excess of 2,000 employees can be expected to be employed by the various businesses that are established in the industrial park based on a ratio of 5.2 employees per acre.

#### COMPLIANCE WITH STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

50. Reclassification of the Subject Property is reasonably necessary to accommodate urban growth and development projected for the districts of South Hilo and Puna.

51. The district boundary amendment will have no significant adverse effects upon agricultural, natural, environmental, recreational, scenic, historic or other

resources of the area comprising or being adjacent to the Subject Property.

52. The Subject Property does not have any adverse geographic or topographic constraints which would hinder or endanger the proposed development nor is it susceptible to drainage problems, flooding, tsunami inundation, unstable soil conditions or other adverse environmental effects.

53. Basic services such as police and fire protection, utilities, sanitation, and sewage disposal are now available or can economically be made available to the Subject Property.

54. The proposed development is in conformance with the General Plan LUPAG MAP.

#### INCREMENTAL DISTRICTING

55. Full urban development of the Subject Property cannot reasonably be completed within five years from the date of the Commission's approval of the redistricting; however, Petitioner's proposed schedule of development in two increments, each encompassing a five-year period, appears reasonable.

#### RULING ON PROPOSED FINDINGS OF FACT

56. Any of the proposed findings of fact submitted by the Petitioner or the other parties not adopted by the Commission herein, or rejected by clear contrary findings of fact herein, are hereby denied and rejected.



### CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, the Rules of Practice and Procedure, and the State Land Use District Regulations of the Land Use Commission, the Commission concludes that the reclassification of all of the lands in Increment 1 consisting of approximately 312 acres from the Agricultural to the Urban District and amendment of the Land Use District Boundaries to permit the development of Increment 1 are reasonable, non-violative of Section 205-1, Hawaii Revised Statutes, and are consistent with the Hawaii State Plan, as set forth in Chapter 226, Hawaii Revised Statutes.

The Commission further concludes that although full development of the lands within Increment 2 cannot be reasonably completed within five years from the date of the Commission's decision on this matter, reclassification of the lands within Increment 2, consisting of approximately 176 acres, from the Agricultural to the Urban District and amendment of the Land Use District Boundaries to permit the development of Increment 2 are reasonable, non-violative of Section 205-2, Hawaii Revised Statutes, and are consistent with the Hawaii State Plan, as set forth in Chapter 226,

Hawaii Revised Statutes. Therefore, incremental redistricting of the lands within Increment 2 of the Petitioner's development is reasonable and warranted.

ORDER

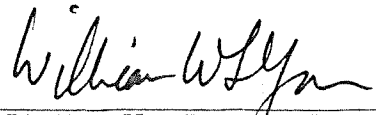
IT IS HEREBY ORDERED that the lands within Increment 1 of the Petitioner's development plan, comprising approximately 312 acres, Hawaii Tax Map Key 1-6-03:78 and Portion of 7, situated at Keaau, Puna, Hawaii, and more particularly identified on the map which is attached hereto as Exhibit A and incorporated herein, shall be reclassified from the Agricultural to the Urban classification and the District Boundaries are amended accordingly.


IT IS ALSO HEREBY ORDERED that the lands within Increment 2 of the Petitioner's development plan, comprising approximately 176 acres, more particularly identified as Hawaii Tax Map Key 1-6-03: Portion of 7, situated at Keaau, Puna, Hawaii, shall be approved for incremental districting pursuant to State Land Use District Regulation 6-2, and that redistricting from the Agricultural to the Urban classification will be granted upon receipt of an application by Petitioner and a prima facie showing that there has been a substantial completion of the off-site and on-site improvements within Increment 1 in accordance with the Petitioner's development plan.

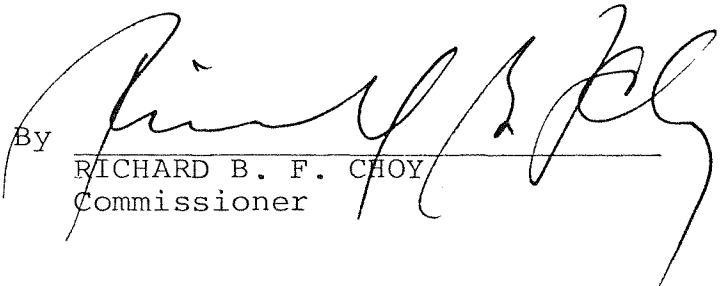
DOCKET NO. A84-570 - W. H. SHIPMAN, LIMITED


Done at Honolulu, Hawaii, this 19th day of February,  
1985, per motions on December 11, 1984 and January 9, 1985.

LAND USE COMMISSION  
STATE OF HAWAII

By   
WILLIAM W. L. YUEN  
Chairman and Commissioner

By   
TEOFILO P. TACBIAN  
Vice Chairman and Commissioer

By   
RICHARD B. F. CHOY  
Commissioner

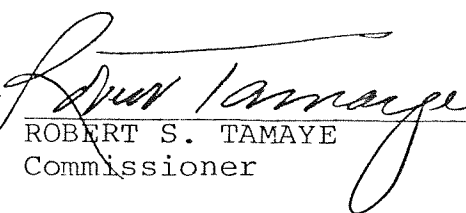
By   
LAWRENCE F. CHUN  
Commissioner

By   
WINONA E. RUBIN  
Commissioner

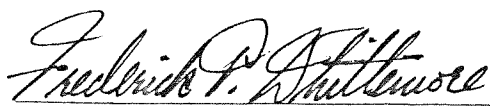
By   
TORU SUZUKI  
Commissioner

DOCKET NO. A84-570 - W. H. SHIPMAN, LIMITED

By

  
ROBERT S. TAMAYE  
Commissioner

By

  
FREDERICK P. WHITEMORE  
Commissioner



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the Land Use Commission's Decision and Order was served upon the following by either hand delivery or depositing the same in the U.S. Postal Service by certified mail:

KENT M. KEITH, Director  
Department of Planning and Economic Development  
State of Hawaii  
250 South King Street  
Honolulu, Hawaii 96813

ALBERT LONO LYMAN, Planning Director  
Planning Department  
County of Hawaii  
25 Aupuni Street  
Hilo, Hawaii 96720

TERENCE T. YOSHIOKA, Attorney for Petitioner  
Nakamoto, Yoshioka & Okamoto  
187 Kapiolani Street  
Hilo, Hawaii 96720

DATED: Honolulu, Hawaii, this 19th day of February, 1985.

  
GORDAN Y. FURUTANI  
Executive Officer